

NOVEMBER/DECEMBER
2003

Insight

For
benefits
administrators

Reminders for January 1, 2004, payroll deductions

Non-Comptroller General payroll groups

Effective January 1, 2004, payroll deductions should be updated for the following:

- The new premiums for all health plans and levels of coverage;
- The premiums for the State Dental Plan and new premiums for Dental Plus;
- The new premium for Dependent Life coverage;
- The new premiums for Optional Life and Dependent Life Spouse Insurance, including any age bracket changes;
- The premiums for Supplemental Long Term Disability (SLTD), based on salary changes as of October 1, 2003, and any age bracket changes;
- The new premiums for Long Term Care (LTC) Insurance, based on the type of plan/option. **Effective with the January 1, 2004, billing statement, Long Term Care coverage for a spouse will be billed as a separate benefit;**
- The deductions for the MoneyPlu\$ Medical and Dependent Care spending account elections and applicable administrative fee(s).

Comptroller General payroll agencies

Effective with the January 1, 2004, billing statement, Long Term Care coverage for a spouse will be billed as a separate benefit. The new deduction code for Long Term Care Spouse is 150.

For the January 1, 2004, payroll, the Comptroller General's office will update payroll deductions automatically as follows:

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Submit your 2003 dental claims[®]

The Employee Insurance Program has selected a new administrator for the State Dental Plan and Dental Plus, beginning January 1, 2004—BlueCross BlueShield of South Carolina (BCBSSC). Harrington Benefit Services, Inc. (Harrington), will no longer be the administrator after December 31, 2003.

Therefore, it is important that you submit any dental claims for 2003 to Harrington as soon as they are incurred. Harrington will not process any claims received after December 31, 2003.

Beginning January 1, 2004, BCBSSC will begin processing *all* claims—any remaining claims incurred in 2003 and all claims incurred in 2004.

South Carolina
Budget and Control Board
Employee Insurance Program



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Certificates of creditable coverage and gain or loss of coverage letters^①

To avoid a Notice of Election (NOE) form being rejected due to incomplete information on a certificate of creditable coverage or a gain/loss of coverage letter, below is a list of the information that each of these documents must include. It is the subscriber's responsibility to ensure the required information is included on the certificate or the coverage letter from the issuing insurer. If you have any questions, please contact the Employee Insurance Program (EIP) by phone at 803-734-0678 (toll-free at 888-260-9430) or by e-mail at CS@eip.sc.gov.

In general, a *certificate of creditable coverage, gain of other coverage letter or loss of other coverage letter* must identify clearly the individuals to whom the document applies and state the type (health and/or dental) and level of coverage (subscriber, subscriber and spouse, full family, etc.). **A certificate or a coverage letter that indicates only the level of coverage is not enough for EIP to confirm coverage for a specific individual.**

Certificates of creditable coverage

A certificate of creditable coverage, provided from another health insurer, is used to reduce the period of time that might otherwise apply for a pre-existing condition limitation. When sending such a certificate to EIP, it is very important that the certificate includes:

- The name of the individual to

whom the certificate applies;

- The name and Social Security Number (SSN) of the main subscriber (employee, retiree, survivor, etc.). This information should be written at the top of the certificate;
- The type, level and description of coverage;
- The dates of coverage.

Gain or loss of coverage letters

Verification of gain/loss of coverage is required to add/drop coverage on dependents. A gain or loss of coverage letter provides this verification.

Loss of coverage letter

Covered employees, retirees, etc., may add a spouse or dependent child to their health and/or dental insurance coverage, if that spouse or child loses coverage elsewhere involuntarily.* The request to add the spouse or child must be made within 31 days of the date coverage is lost. The effective date for adding coverage due to loss of other coverage is the date of loss.

A loss of coverage letter may be obtained from the previous insurer and presented to EIP to offset any pre-existing condition limitations. The letter must:

- State the involuntary loss of health/dental insurance coverage from another insurance provider, including the date of loss;
- Identify the individual(s) that the main subscriber wishes to add to

coverage as a result of the loss of coverage;

- Include the effective date of loss of coverage;
- Include the name and SSN of the main subscriber. This information should be written at the top of the letter;
- Be stapled to the NOE, completed to add the individual(s).

A certificate of creditable coverage may be used in lieu of a loss of coverage letter if it includes all of the elements required for a loss of coverage letter.

Gain of coverage letter

Covered employees, retirees, etc., may terminate coverage for a spouse or dependent child if that spouse or dependent child gained health and/or dental insurance coverage elsewhere.* The request to terminate coverage for the spouse or child must be made within 31 days of the date other coverage is gained. The effective date for termination of coverage due to a gain of other coverage is the first of the month after the date other coverage was gained.

A gain of coverage letter may be obtained from the new insurer to confirm the gain of coverage elsewhere. The letter must:

- State the gain of health/dental insurance coverage under another insurance provider, including the date coverage was gained;
- Identify the individual(s) who gained coverage and the date the

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*Eligible employees, retirees, etc., may add or drop coverage for themselves due to a gain or involuntary loss of other coverage, if the request is made within 31 days of the gain or loss of coverage. They must be covered in order to also cover a spouse or dependent child.

Reminder to those enrolled in an HMO for 2004^①



If you enrolled in one of the health maintenance organizations (HMOs) (listed on [Page 5](#)) or if you changed HMOs during open enrollment, you will need to choose a primary care physician (PCP) to direct your medical care in the coming year. The Notice of Election form no longer has a place for you to designate a PCP.

To see if your physician is a member of your HMO's network in 2004, you will need to log on to that HMO's Web site to view the list of participating providers or call the HMO's customer service number. Printed provider directories are also available upon request. Contact the HMO for a copy.

If you are currently enrolled in an HMO and are continuing with that same plan in 2004, your PCP will remain the same, unless that physician will not participate in the HMO's network next year or unless you wish to change.

If you enrolled in CIGNA HealthCare's HMO for 2004

If you do not select and designate a PCP, one will be assigned to you automatically. If you wish to change your PCP after you are assigned one, simply go to the HMO's Web site or call the HMO to change.

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Payroll deductions

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- The deductions for premiums for the State Health Plan Economy and Standard plans, Companion HMO and CHOICES POS, CIGNA and MUSC Options, will be updated to reflect the change for each level of coverage based on the 2004 rates;
- The deductions for premiums for the State Dental Plan and Dental Plus;
- For employees with Dependent Life Insurance coverage, deductions will be changed to \$0.66 per pay period as of December 15, 2003. You will need to submit a P-4 form to stop deductions for any employees who decided to drop Dependent Life;
- For employees with Optional Life and Dependent Life Spouse Insurance coverage, deductions will be changed to reflect the 2004 rates and any age bracket changes. You will need to submit a P-4 form to stop deductions for any employees who decided to change or drop Optional Life or Dependent Life Spouse;
- The deductions for the Supplemental Long Term Disability (SLTD) benefit will be adjusted to reflect the salary changes as of October 1, 2003, and any age bracket changes;
- Deductions for 2003 MoneyPlu\$ Medical and Dependent Care spending accounts will stop. You will need to submit a P-4 form for those who enrolled in the spending accounts for 2004 and apply the administrative fee(s) accordingly;
- The deductions for Long Term Care (LTC) premiums, based on the enrollment file from Aetna.

Reminder to all payroll groups

During the first week of December, the Employee Insurance Program (EIP) will send to all benefits administrators:

- Reports listing the 2004 premiums for SLTD, Optional Life and Dependent Life Spouse Insurance for each employee;
- A copy of all the LTC applications and a roster of LTC subscribers that includes the plan/option selected and the 2004 premium for each subscriber.

Information and materials update



Between now and January 1, 2004, you and your employees should be on the lookout for the following:

State Health Plan (Employee Insurance Program) (803-734-0678 or toll-free at 888-260-9430)

- The 2004 *Insurance Benefits Guide* will be shipped to all benefits administrators in mid-December. Retirees, COBRA subscribers and survivors will receive theirs directly by mail. (See “What’s new” below.)
- The 2004 *State Health Plan Provider Directory* will be shipped to all benefits administrators in mid-December. Retirees, COBRA subscribers and survivors will receive theirs directly by mail. Note that the health maintenance organizations (CIGNA, Companion and MUSC Options) offer printed copies of their 2004 provider directories upon request. Don’t forget! The most current provider information is always available online through EIP’s Web site at www.eip.sc.gov. Choose your category (you will need to log on the “Restricted Area Access” as a benefits administrator), and then choose “Online Directories.”

Prescription Drug Program

(Medco Health) (800-782-8365)

- Medco Health will send a letter directly to all State Health Plan subscribers that will outline the Prescription Drug Program changes for 2004. Included with the letter will be:
 - A member guide (abbreviated preferred drug list) that they can take with them when

they visit their doctor;

- A brochure and order form for the home delivery pharmacy service (included only with letters sent to subscribers who use maintenance medications).

- Medco Health will send a letter directly to subscribers who use a retail pharmacy that will not be participating in Medco Health’s pharmacy network for 2004. The letter will let them know that their current pharmacy will not be participating, and the letter will include other nearby pharmacies that do participate.
- For **new** subscribers to the State Health Plan and for new enrollees during 2004, Medco will send a welcome packet that will include:
 - A brochure that outlines the 2004 Prescription Drug Program;
 - A health, allergy and medical questionnaire;
 - A home delivery order form.

Long Term Care (Aetna) (800-537-8521)

- A confirmation packet will be mailed directly to subscribers in mid-December. It will include:
 - A confirmation letter;
 - A Certificate that describes the plan features;
 - A Summary of Coverage; and
 - A personalized Certificate Insert A.

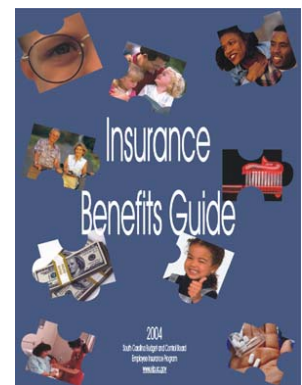
MoneyPlu\$ (Fringe Benefits Management Co.) (800-872-0345)

- Imputed income reports will be sent via mail to all non-Comptroller General entities by mid-December. This report contains the data needed to add back earnings to 2003 W-2 forms for any Optional Life Insurance premiums, for coverage amounts above \$50,000, that employees paid during 2003.
- Confirmation notices are being sent to all employees who enrolled in a Medical Spending Account or Dependent Care Account for 2004. These additional items will be included with the notices sent to those enrolled

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What’s new with the 2004 Insurance Benefits Guide

For 2004, you will notice the *Insurance Benefits Guide* (IBG) will include a chapter just for retirees. This will replace the *State Insurance Benefits Options for Retirees* handbook. The retirement information was moved to the IBG, primarily at the request of retirees and survivors who wanted their general insurance information combined into one book, rather than two.



Medical mileage reimbursement increase for MoneyPlu\$ in 2004ⁱ

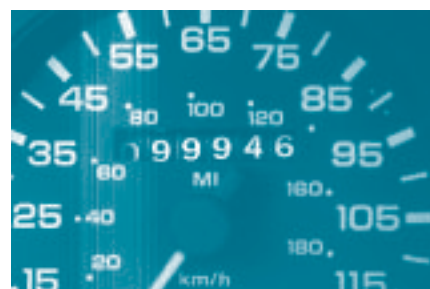
The Internal Revenue Service has approved an increase in the mileage reimbursement rate for medical expenses from 12 to 14 cents per mile, beginning January 1, 2004.

Why is this increase important to MoneyPlu\$ participants? Reimbursements from a MoneyPlu\$ Medical Spending Account* may include amounts paid for transportation primarily for, and essential to, medical care (as allowed by the IRS). For example, you can request reimbursement for bus or taxi fares to receive treatment by a medical provider. You can also claim the standard mileage rate when you use your car for medical reasons—14 cents per mile beginning January 1.

Mileage is reimbursable, as long

as a receipt, statement or bill that validates your visit is included along with your completed Flexible Spending Account Reimbursement Request Form. Calculate the mileage on the actual bill/receipt, detailing the following: roundtrip mileage multiplied by \$0.14 (which is the IRS-allowed amount per mile effective January 1, 2004), along with the name of the provider visited.

For example, if your office visit with Dr. Jay on February 1, 2004, resulted in a total of 40 miles roundtrip, your note should read: *February 1, 2004—40 miles \times \$0.14 = \$5.60 for Dr. Jay.* On your claim form indicate *mileage* as the provider of services with the dates of travel and \$5.60 as your amount requested for reimbursement. In addition,



attach your statement, bill or receipt along with your request that validates your visit.

For other transportation expenses for medical care, such as parking fees, tolls, bus and taxi fares, etc., you must provide a receipt for that expense, in addition to a bill or receipt from your healthcare provider that validates your visit. A visit to your pharmacy for prescriptions is also treated as a visit to your local healthcare provider, and eligible transportation expenses are reimbursable.

**Expenses incurred for transportation are not considered a dependent day care expense and are not reimbursable.*

Certificates and coverage letters

Continued from page 2

coverage was gained;

- Include the effective date of the gain of coverage;
- Include the name and SSN of the main subscriber. This information should be written at the top of the letter;
- Be stapled to a completed Notice of Election form, dropping the individual(s).

HMOs

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If you enrolled in Companion HealthCare's HMO or CHOICES POS or MUSC Options for 2004

Prior to January 1, 2004, you will receive a letter from the HMO, instructing you to designate a PCP. If you do not do so, when the HMO receives an initial claim from a participating physician, the HMO will assign that physician as your PCP.

<u>HMO NAME</u>	<u>WEB SITE</u>	<u>CUSTOMER SERVICE</u>
CIGNA HMO	www.CIGNA.com	800-244-6224
COMPANION HMO	www.CompanionHealthCare.com	800-868-2528
COMPANION-CHOICES POS	www.CompanionHealthCare.com	800-868-2528
MUSC OPTIONS	www.CompanionHealthCare.com	800-821-3023

Preventive Worksite Screenings—a great, low-cost benefit

The Employee Insurance Program wants you and your employees to lead healthier lifestyles. To help, the State Health Plan Prevention Partners is pleased to continue offering the ever-popular Preventive Worksite Screenings in 2004.

This screening, a \$200 value in most healthcare settings, is available to those enrolled in the State Health Plan* at a minimal cost - *just a \$15 copayment*. The State Health Plan pays the rest! Within two weeks of a screening, you will receive your personal health profile, highlighting any values outside the normal range. You are encouraged to send this report to your doctor or take a copy with you on your next visit. Doing so may save you money and avoid duplicate tests.

Your Prevention Partners team is excited to offer this important benefit at a terrific value. If your worksite is interested in having a screening, please call Prevention Partners at 803-737-3820 (toll-free at 888-260-9430).

For worksites with a small number of employees, Prevention Partners also hosts regional screenings throughout the state. Registration forms for our regional screenings are posted on our Web site six weeks prior to a screening date. To obtain a registration form for a particular screening, go to www.eip.sc.gov, click on “Stay Healthy and Save” and then “Early Detection.”

**Spouses, dependents, and HMO subscribers (Companion, CIGNA, MUSC Options) are not eligible.*

2004 Regional Health Screening Schedule

Additional screenings may be scheduled upon request.

JANUARY 22 (THURSDAY)	GREENVILLE
FEBRUARY 26 (THURSDAY)	SPARTANBURG
MARCH (DATE TO BE ANNOUNCED)	AIKEN
APRIL 14-15 (WEDNESDAY AND THURSDAY)	COLUMBIA
MAY 12-13 (WEDNESDAY AND THURSDAY)	CHARLESTON
JUNE 10 (THURSDAY)	GREENVILLE
JUNE 24 (THURSDAY)	HAMPTON
JULY 15 (THURSDAY)	FLORENCE
AUGUST 19 (THURSDAY)	GREENWOOD
SEPTEMBER 15-16 (WEDNESDAY AND THURSDAY)	COLUMBIA
OCTOBER 14 (THURSDAY)	ROCK HILL
NOVEMBER 4 (THURSDAY)	BEAUFORT
NOVEMBER 18 (THURSDAY)	DARLINGTON
DECEMBER 15 (WEDNESDAY)	ANDERSON

Help build a healthier workplace

All benefits administrators, Prevention Partners coordinators and other administrative staff are invited to attend the 2003 Health at Work Conference. The conference is scheduled for Friday, December 12, 2003, at the South Carolina State Museum, located at 301 Gervais Street in Columbia.

Key information provided at this year's conference will be:

- Creating a healthier work environment;
- Nutrition and weight control initiatives;
- Cardiovascular heart disease risk factors and early detection;
- Women's health issues;
- Health beliefs and behavior change.

This conference is sponsored by the State Health Plan Prevention Partners. Registration is \$65 per person and includes a continental breakfast, lunch, afternoon break and all conference materials. As a bonus, the State Museum has graciously agreed to allow conference attendees to tour the Museum on breaks.

Be on the lookout for your registration brochure, or call Prevention Partners for more information at 803-737-3820 (toll-free at 888-260-9430). We look forward to seeing you there!

The State Health Plan
PREVENTION PARTNERS

Optional Life, Long Term Care effective dates of coverage tied to being *actively at work*

There has been some recent confusion regarding effective dates of coverage for Optional Life/Dependent Life Insurance and Long Term Care Insurance. This issue becomes particularly important as we approach January 1, 2004, when new rates and levels of coverage for these programs go into effect. The following information is a guide to help determine when coverage for these two programs becomes effective. Contact the Employee Insurance Program at 803-737-0678 (toll-free at 888-260-9430) if you have any questions.

Optional Life and Dependent Life Spouse/Child

For all effective dates of coverage/changes in coverage for Optional Life Insurance, an employee must be actively at work on the date coverage is to begin or must be on a paid holiday or paid vacation day, provided he was actively at work immediately preceding the holiday/vacation day. More specifically, “actively at work” is defined in the *Insurance Benefits Guide* as follows:

An employee will be considered actively at work on a day which is one of the employer's scheduled work days, if he is performing at his usual place of work or at another place to which he is required to travel, and in the usual manner, all of the regular duties of his work on a full-time basis on that day. He will also be considered actively at work on a paid vacation day or on a day which is not one of the employer's scheduled work days only if he was actively at work on the preceding scheduled work days.

If the employee is out on sick leave or a leave of absence—paid or unpaid—coverage will not become effective until the employee is, again, actively at work for one full day. Called the “deferred effective date” provision. This provision is defined in the *Insurance Benefits Guide*.

If you are absent from work due to injury or sickness on the date your insurance or your dependent's insurance would otherwise have become effective or would have been increased, the effective date of insurance or the effective date of any increase in insurance will be deferred until the date you return to work as an active, permanent, full-time employee for one full day.

This provision applies to all effective dates of coverage/changes in coverage (for the employee and for the spouse/dependent child), including:

- Initial enrollment in the Optional Life Insurance Plan as a new hire;
- Enrollment as a late entrant;
- Increasing the amount of coverage (increase, decrease);
- Terminating coverage.

Long Term Care Insurance

For employees who enrolled in the Long Term Care program or changed their Long Term Care coverage during open enrollment, the effective date of their coverage/change in coverage will be January 1, 2004.

If an employee is ill, injured or on medical leave of absence and away from work on the date that coverage would become effective,

the coverage will not go into effect until the first day of the month following the date the employee returns to work full-time for at least five consecutive working days. This “active at work” requirement also applies to any increase in an employee's Daily Benefit Amount for which an employee makes a written request.

An employee will be considered to be active at work on any of the employer's scheduled work days if, on that day, the employee: is performing all the usual and customary duties of his or her occupation on a regular full-time basis; and is reporting for work at his or her usual place of employment or other location to which the employer's business requires the employee to travel. In addition, an employee will be considered to be active at work on the following days:

- Any day which is not one of the employer's scheduled work days if the employee were active at work on the preceding scheduled work day; or
- An employee's normal vacation day.

Information and materials

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in a Medical Spending Account:

- A flyer explaining eligible over-the-counter medicines;
- An information sheet explaining the Medical Spending Account guidelines in more detail.

South Carolina Budget and Control Board
Employee Insurance Program
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This year's enrollment

It's been a busy open enrollment period for you and for us! We thought you might be interested in some of our statistics for Open Enrollment 2003 ...

As of November 20, the Employee Insurance Program (EIP) **Operations** staff had received and processed the following enrollment forms:

Active NOEs processed	57,430
Individual NOEs processed (retirees, COBRA subscribers, survivors)	3,289
Total processed	60,719

It appears that more employers submitted their forms earlier than in prior years—as they received them. This was a help to the EIP Operations staff. Thank you!

EIP **Customer Services** staff report the following for October:

Calls received	10,278*
E-mails received	273
Visitors seen	384

**With six Customer Services representatives dedicated to telephone inquiries, they averaged 60 calls per day ... in addition to seeing visitors!*

Insight

is produced monthly by
the South Carolina
Budget and Control Board
Employee Insurance Program

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